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Food Business Line Periodic Press Translation from ATO Tokyo

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Report Highlights: *Create Restaurants Inc.* will operate the largest food eatery in Expo 2005, Aichi in Nagoya; The *Japan Food Service Association* reports an increase in expenditures per customer for the first time since 1994; *Seven-Eleven Japan Co., Ltd.*'s national cold chain system enhances freshness for produce; *Reins International Inc.* will open a new Italian family brand; Food service companies continue to enter the take-out food market segment; Record imports for sparkling wines in Japan are expected for a second year in a row and; Typhoons and bad weather requires increased imports for Japan's soybean processing industry.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
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Food Business Line

Periodic Press Translations from ATO Tokyo Vol V, Issue3 February 1-28, 2005

Retail/Wholesale

- *Seven-Eleven Japan Co., Ltd.* will fully equip its operations network with a national cold chain system for vegetables. The system will enable thorough temperature control to maintain freshness and quality of its fresh products and to strengthen its traceability system. (b. 2/4)
- The Japanese affiliate of the U.S. retail giant, Wal-Mart Stores Inc. said it suffered a group net loss of 12.32 billion yen, with sales of 1.032 trillion yen for the recently completed business year. (a. 2/15)

Food Service

- The *Create Restaurants Inc.* restaurant chain will open the largest food service facility at Expo 2005 Aichi in Nagoya. Called “Festival Food Court”, it will have 1200 seats. (a. 2/3)
- *Jonathan's Co., Ltd.* has developed family restaurants with an on-site bakery facility which will offer fresh bread straight from the oven. This model is set for opening 10 restaurants by December 2005. (b. 2/9)
- *Meiji Seika Kaisha Ltd.*, a major confectionery company, has begun operating an antenna shop called “100% Chocolate Café”. (b. 2/9)
- According to the *Japan Food Service Association*, despite no change from the number of customers in 2004, total sales increased by 1.5%. For the first time since the first year of the survey in 1994, the expenditure per customer has increased by as much as 1.5 percent. (g. 2/12)
- *Reins International Inc.* will open a new Italian family chain restaurant called “Beatrice”. It may be available as a franchise in the future. (b. 2/16)

Food Processing/New Products/Market Trends

- The major beer companies start strengthening the business of canned “*Chu-Hi*” (*Shochu* cocktail beverage) and other cocktails in order to offset weaker earnings caused by the recent small increases of beer and *Happoshu* sales. For example, *Suntory Ltd.* will plan an increase in sales by 26% and *Asahi Breweries Ltd.* also plans to increase sales by 72%. (a. 2/3)
- One after another, food service companies and food manufacturers are entering into the take-out (“*Sozai*”) or HMR market. For example, *Reins International Group* will open a store in mid-February, *Ootoya Co., Ltd.* in March and *Nisshin Seifun Group Inc.* will also open one through its subsidiary company. (a. 2/5)
- Kirin Brewery Co. said that it plans an April 6 release for an alcoholic beverage to compete in the so-called “Third Beer” market segment. Tasting like beer but made from soy protein, it does not fall under the tax code definition of beer. Asahi Breweries Ltd. plans to join the race by releasing its first product in this category on April 20, and hopes to sell 22 million cases of the drink this year. (a. 2/14)

- Sparkling wines, which had record imports in 2003, is expected another record performance in 2004. According to the *Comité Interprofessionnel du Vin de Champagne*, total exports of sparkling wines to Japan in 2003 was 4,180,000 cases. In 2004 through November, there was already 4,170,000 cases. Also according to the statistics of customs clearance results announced by the Customs and Tariff Bureau of Ministry of Finance, total imports were up by 19%. (f. 2/7)
- According to the Japan Public Management Ministry's household expenditure survey completed on February 8, total household expenditure for food in 2004 declined slightly by 0.4% compared to 2003. However, per capita expenditure for food increased by 0.3% taking into account a 0.2 decrease in the number of household members. (f 2/14)
- Japan's soybean processing industry has been facing another difficult year due to the increased price of domestic soybeans. A number of typhoons and long rains caused crop damage causing prices to be even higher than last year. Since the industry believes it to be difficult to raise the price for two consecutive years, the alternative plan for soy products makers will be to use more imported organic (no-pesticide) soybeans. (f. 2/28)
- "Confiture" (fruit jam in French) which uses unique ingredients such as vegetables, chocolate, coffee, various kinds of teas, liqueur and milk to create new flavors is beginning to attract consumers. (g. 2/16)

Food Safety/Consumer Awareness

- No significant articles.

ATO/Cooperator/Competitor Activities/Trade Shows

- No significant articles.

Sources

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal |
| (c) The Japan Food Journal | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News | (f) The Food Industry News |
| (g) Fuji Sankei Business I | |

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